

Message Text

UNCLASSIFIED

PAGE 01 ROME 13980 101114Z

17

ACTION TRSE-00

INFO OCT-01 EUR-10 EA-07 ISO-00 AID-05 CIAE-00 COME-00

EB-03 FRB-01 INR-10 NSAE-00 RSC-01 XMB-01 OPIC-02

SP-02 CIEP-01 LAB-01 SIL-01 OMB-01 NSC-07 SS-14

STR-01 CEA-01 SEC-01 L-02 DODE-00 PA-01 USIA-04

PRS-01 JUSE-00 DRC-01 /080 W
----- 070729

P R 101016Z OCT 74

FM AMEMBASSY ROME

TO SECSTATE WASHDC PRIORITY 7381

INFO AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

USMISSION EC BRUSSELS

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMCONSUL MILAN

AMCONSUL NAPLES

AMEMBASSY OTTAWA

AMEMBASSY PARIS

USMISSION OECD PARIS

AMEMBASSY STOCKHOLM

AMEMBASSY TOKYO

UNCLAS ROME 13980

PASS TREASURY AND FRB

E.O. 11652: N/A

TAGS: EFIN, IT

SUBJECT: WARRANT FOR ARREST ISSUED FOR SINDONA

1. SUMMARY. ITALIAN PRESS CARRIED FRONT-PAGE REPORT
OCTOBER 8 THAT OFFICE OF MILAN DISTRICT ATTORNEY HAS
ISSUED WARRANT FOR ARREST OF MICHELE SINDONA AS RESULT
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 ROME 13980 101114Z

OF INVESTIGATIONS CONDUCTED WITH RESPECT TO OPERATIONS

PERFORMED DURING TWO-YEAR PERIOD 1971-72 BY BANCA
UNIONE AND BANCA PRIVATA FINANZIARIA (TWO BANKS
RECENTLY MERGED INTO BANCA PRIVATA ITALIANA).
/END SUMMARY/.

2. ACCORDING TO PRESS REPORTS, JUDICIAL INVESTIGATION WAS
INITIATED IN 1972 AS CONSEQUENCE OF SUBMISSION TO DISTRICT
ATTORNEY OF REPORTS PREPARED BY BANK OF ITALY CONCERNING
IRREGULARITIES CONTAINED IN BALANCE SHEET OF BANCA UNIONE.
MR. UGO DE LUCA, THEN GENERAL MANAGER OF BANCA UNIONE, HAS
ALREADY BEEN ACCUSED OF "ILLEGAL DISTRIBUTION OF PROFITS."
NOW SAME ACCUSATION HAS BEEN MADE AGAINST MICHELE SINDONA,
TOGETHER WITH ANOTHER CRIMINAL CHARGE OF "FALSIFYING OF
ACCOUNTING RECORDS AND OF DISSEMINATING FALSE INFORMATION."

3. TURIN'S "LA STAMPA" REPORTS THAT SINDONA HAS BEEN
SUBJECT OF TWO DIFFERENT INVESTIGATIONS: THAT CARRIED
OUT BY BANK OF ITALY WITH RESPECT TO ITALIAN BANKS
CONTROLLED BY SINDONA (BANCA PRIVATA ITALIANA AND
BANCA DI MESSINA), AND THAT CONDUCTED BY MILAN DISTRICT
ATTORNEY'S OFFICE CONCERNING ACTIVITIES OF CORPORATIONS
BELONGING TO SINDONA GROUP. ARTICLE ALSO ALLUDES TO
DIFFICULTIES FACED BY SINDONA-CONTROLLED HOLDINGS IN
UNITED STATES, E.G., FRANKLIN NATIONAL BANK, TALCOTT,
INTERPHOTO AND ARGUS, WHICH "LA STAMPA" REPORTS ARE UNDER
INVESTIGATION BY SECURITIES AND EXCHANGE COMMISSION. ITALIAN
PRESS ALSO REPORTS THAT SINDONA HAS EXPRESSED HIS INTENTION
TO UNDERTAKE LEGAL ACTION AGAINST FORMER MINISTER OF
TREASURY LA MALFA FOR FAILURE TO TAKE APPROPRIATE ACTION
("OMISSIONE DI ATTI DOVUTI") ON SINDONA'S EARLIER REQUEST FOR
INCREASE IN CAPITAL OF SINDONA'S HOLDING COMPANY FINAMBRO.

4. VARIOUS ARTICLES SAY THAT THESE JUDICIARY DEVELOPMENTS
ARE NOT UNEXPECTED. THEY REPORT THAT IT WAS ALREADY WIDELY
KNOWN FOR SOME MONTHS IN ITALIAN FINANCIAL CIRCLES THAT
BREAKDOWN OF FINANCIAL STRUCTURE WHICH HAD BEEN BUILT BY MICHELE
SINDONA IN RECENT YEARS WOULD BE GENERAL, AT LEAST AS FAR AS
ITALIAN HOLDINGS WERE CONCERNED.

5. ITALIAN PRESS ALSO CLAIMS THAT SINDONA AFFAIRS MAY
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 ROME 13980 101114Z

RESULT IN LARGE COST IN ITALIAN FOREIGN EXCHANGE
RESERVES DUE TO OFFICIAL INTERVENTION REQUIRED TO
ENABLE BANCA PRIVATA ITALIANA TO MEET ITS COMMITMENTS
IN FACE OF WITHDRAWALS OF FOREIGN DEPOSITS. IT IS REPORTED
THAT SUCH INTERVENTIONS COULD RESULT IN LOSSES OF SEVERAL
HUNDRED BILLION LIRE IN FOREIGN EXCHANGE EQUIVALENT. BEAUDRY

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESS COMMENTS, ARRESTS
Control Number: n/a
Copy: SINGLE
Draft Date: 10 OCT 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974ROME13980
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740288-0282
From: ROME
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741056/aaaabvom.tel
Line Count: 113
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION TRSE
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 11 MAR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <11 MAR 2002 by chappeld>; APPROVED <30 JUL 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: WARRANT FOR ARREST ISSUED FOR SINDONA
TAGS: PINT, IT, (SINDONA, MICHELE)
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005